

South Carolina Department of Insurance

Capitol Center
1201 Main Street, Suite 1000
Columbia, South Carolina 29201


MARK SANFORD
Governor

SCOTT H. RICHARDSON
Director of Insurance

Mailing Address:
P.O. Box 100105, Columbia, S.C. 29202-3105
Telephone: (803) 737-6160

BULLETIN NUMBER 2008-13

TO: Insurers Writing Credit Property Insurance in South Carolina
in Conjunction with Consumer Credit Transactions subject to Act 988 of
1966 (the Consumer Finance Law)

FROM: Scott H. Richardson 
Director

SUBJECT: Notice of Tentative Credit Property Insurance Rates and Opportunity to
Request a Hearing

DATE: August 1, 2008

I. Notice of Tentative Credit Property Insurance Rates

Regulation 69-11 requires the Department to promulgate tentative rates for credit property insurance by August 1 of each year. The tentative rates are those the Department believes may reasonably be expected to produce a loss ratio of not less than 50% in the following calendar year. This bulletin constitutes official notice of the tentative rates for 2009.

The South Carolina Department of Insurance has reviewed the loss experience for 2007 for the above described credit property insurance. The aggregate 2007 loss ratio at prima facie rates was 28.6%. Last year a rate decrease of 57.8% was implemented and became effective January 1, 2008. The effects of this rate decrease cannot be observed until next year, when the credit experience report data for 2008 becomes available. Thus, no further changes in the current rates are proposed for 2009.

The tentative rates expressed as a percentage of the total amount of the loan are as follows:

<u>Coverage</u>	<u>Approved Rates</u>
Automobile, Fire and Theft – Single Interest	.0135 percent
Automobile Collision – Single Interest	.0506 percent
Household Goods – Single Interest	.0131 percent
Household Goods – Dual Interest	.0688 percent

II. Opportunity for a Hearing

S.C. Code Ann. Reg. 69-11.1 (1989) provides that “every insurer which feels aggrieved by any of the rates so promulgated may request a public hearing with respect to such rate or rates” within 15 days. See S.C. Code Ann. Reg. 69-11.1 C (4) (1989). Accordingly, all requests for a hearing must be filed with the Department on or before August 16, 2008. Please direct your requests for a hearing to the attention of Jeffrey Jacobs, Chief Legal Counsel. Attach to your request for a hearing documentation supporting your position that the tentative rates for credit property insurance need to be changed.

After all such hearings have been held, the final rate or an affirmation of the tentative rate shall be sent to all companies before October 1, 2008. Please direct any questions regarding this bulletin to the attention of Derek McKee at the address and number listed below.

Derek McKee
Assistant Actuary
South Carolina Department of Insurance
145 King St., Suite 207
Charleston, SC 29401
Telephone: 843-579-0527
Facsimile: 843-722-6105
E-mail: dmckee@doi.sc.gov